



MBA Investments, LLC

| M | B | A |  
ARCHITECTS

| M | B | A |  
DEVELOPMENT COMPANY

STERLING COMPANIES

401 3rd Ave N Development  
MBA Investments Proposal

November 10, 2021

# MBA Investments, LLC

505 N. Broadway, Suite 201 • Fargo, North Dakota • 58102  
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City Auditor / Fargo City Hall  
225 4<sup>th</sup> Street N.  
Fargo, ND 58102  
ATTN: Jim Gilmour

RE: Sale of 401 3<sup>rd</sup> Avenue N.

Mr. Gilmour:

MBA Investments, LLC is excited to present this proposal to purchase the City Property at 401 3<sup>rd</sup> Avenue N. in downtown Fargo. Our development team includes the combined resources and skills of the following local companies:

## DEVELOPER

- MBA Investments, LLC  
Developer with wide range of experience on a number of different projects

## ARCHITECT

- Mutchler Bartram Architects, P.C.  
Architecture / Engineering firm with 56 years of experience in the Fargo market

## CONSTRUCTION MANAGER

- MBA Development Company  
General Contractor and Construction Management firm with 41 years of experience in the Fargo market

## PROPERTY MANAGER

- Sterling Companies  
Property Management services – manage several hundred apartments units in the region

Our team has a wide range of experience as Developer, Architect, Builder and Property Manager. Local projects of note include the development of the Ford Building, The Railyard Complex (Drekker, InterOffice Business Furniture, Railyard Co-Working Offices and Private Residence), Brewhalla Market & Event Space, 300 NP Office Building & Condos, McCormick Place, 404 Place (current home of Side Street Grille), Meadowlark Building and 710 Lofts. Our team has also developed several projects in downtown Moorhead, MN, Fergus Falls, MN, East Grand Forks, MN & West Fargo, ND. All told we have developed over 1,000 apartment units and over 500,000 SF of office, retail and warehouse projects and are well positioned to bring the 3<sup>rd</sup> Avenue / 14<sup>th</sup> Street corner in downtown Fargo to life.

We are very excited about our proposal for this corner of downtown Fargo. Our proposal is a self-contained, 5-story, multi-family project with (68) 1 & 2 bedroom apartments, a roof-top terrace, 56 enclosed parking spaces on 1<sup>st</sup> floor and 14 parking spaces along the alley. The project steps back in height next to the Side Street Grille to avoid structural issues with snow drifting onto the lower roof. The project does not include a basement to avoid issues with under-mining adjacent properties and roadways.

We have worked diligently to create a project that will enhance this area of Downtown and build on the existing activities and energy of downtown Fargo. It purposely does not include any 1<sup>st</sup> floor commercial space that might compete with existing businesses and reduce on-site parking. Instead, our goal is to provide additional housing options to further enhance the existing businesses in the area.

We believe our approach to developing this site, 1) Enhances the current and on-going development of the Downtown, 2) aligns with Fargo Go2030 Plan, 3) supports the Downtown Master Plan, 4) converts an under-utilized property into a long term, higher taxable asset, 5) enhances activities along the Red River, 6) entirely fits the current scale and activities in this part of Downtown and 7) will be completed well within the City's 3 year completion requirement.

Thank you for providing us the opportunity to present our proposal. We look forward to continued discussions about our project and this site.

Sincerely,

Kevin J. Bartram, President  
MBA Investments, LLC



## SECTION 1 PROPOSAL

- The MBA Investments Team has studied several different options for the re-development of this site including Mixed Use, Office, Retail and Housing options. We believe our proposal is the strongest, most viable option for the size and location of this site.
- We propose a 5-story multi-family project with 68 units and enclosed, secure parking.

**We offer the sum of \$500,000 to the City of Fargo to purchase this site.**

## DETAILS

- We anticipate a total project cost of \$12.0-\$13.0M including Land Acquisition, Site Demolition and Clean-up, Construction Costs, Architecture, Engineering, Construction Fees, Financing and all miscellaneous project costs.
- Our project does not require any unusual costs or expenses from the City for utilities, streets, sidewalks or other infrastructure.
- We propose a 10 year TIF or combination of 5 year Renaissance Zone plus 5 year TIF (10 years total) to assist with costs unique to this site including demolition of a substantial existing building and other site clean-up work as well as costs related to planned improvements in the public right-of-way and alley.



## SECTION 2

# PROPOSED PROJECT

### SITE PREP

Demolish the existing structure and construct new building from the ground up

- Includes provisions for asbestos abatement and any environmental clean-up work required
- Retain existing power distribution in the alley

### PROJECT DETAILS

- On-grade enclosed (56 spaces) and surface (14 spaces) parking all accessible from the existing alley
- 4 stories of 1 & 2 bedroom apartments
- Structure steps back from existing Side Street Grille structure to avoid snow-loading issues
- Roof-top terrace with views to Broadway and the Red River
- Building entrance along 3rd Avenue with easy access to Broadway to the west and riverfront activities to the east
- Existing sidewalk widths to remain for easy pedestrian circulation
- Maintain existing parallel parking along 4th Street and diagonal parking on 3rd Avenue
- Includes trash chute and dumpster enclosure with trash pick-up off the alley
- Apartment amenities would include large windows, in-unit washer / dryer, designer kitchens / appliances, higher ceilings, enhanced mechanical / lighting, walk-in closets, balconies for many units, and other design features
- Shared amenities include enclosed parking, enhanced security features, trash chute, secure bike storage, motorcycle parking and a roof terrace
- Other amenities such as Fitness Room & Lounge spaces are felt to be unnecessary with this downtown location and purposely not provided to help keep rents more affordable and avoid unnecessary competition with other existing downtown businesses





## DESIGN CONSIDERATIONS / PROJECT CONTEXT

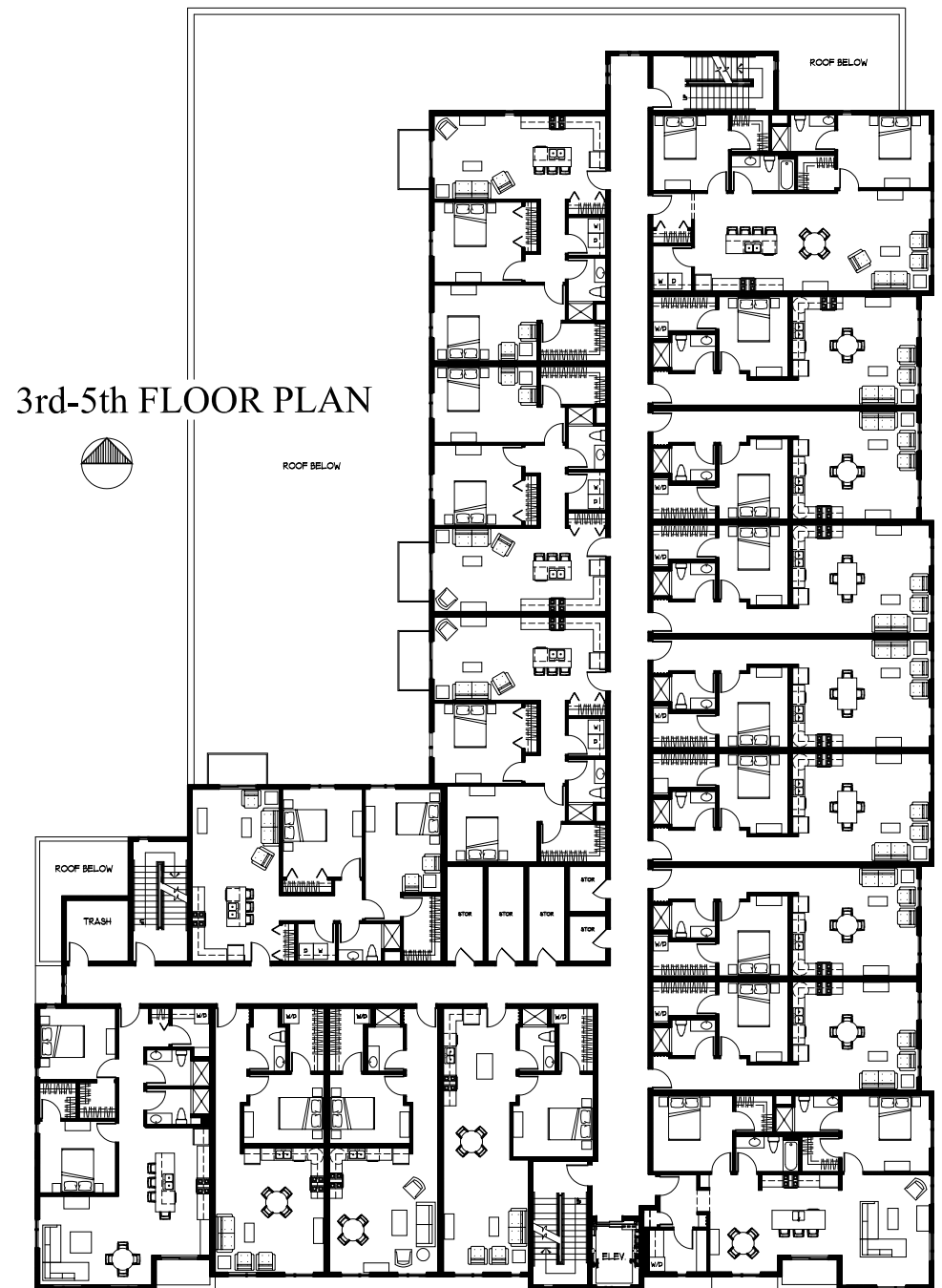
- Primary visibility along 4th Street and 3rd Avenue but visible from all sides. Material selections reflect visibility from all sides
- Public entrance optimizes connections to Broadway to the west and riverfront activities to the east including any future development at the Civic Center block
- Pedestrian friendly sidewalks
- Parking access along the alley
- Scaled to blend with existing 2-5 story buildings in this area of Downtown
- Creates opportunities for original artwork from local or regional artists to be incorporated into the base of the building with the thought to coordinate with the future development of the Civic Center site across the street

## AREA SUMMARY / APARTMENT UNIT SUMMARY

	Total Areas	Enclosed Parking	Apartment Spaces	1BR	2BR	Totals
1st Floor	23,733 SF	22,047 SF	1,686 SF	---	---	---
2nd Floor	18,953 SF		18,953 SF	10	7	17
3rd Floor	19,475 SF		19,475 SF	10	7	17
4th Floor	19,475 SF		19,475 SF	10	7	17
5th Floor	19,475 SF		19,475 SF	10	7	17
Roof-top	1,202 SF		1,202 SF	---	---	---
	102,313 SF	22,047 SF	80,266 SF	40	28	68

## PROPOSED ACCESS / CONSTRUCTION STAGING / SCHEDULE

- Few if any disruptions to existing businesses, streets, etc. except as necessary for new utility connections and crane access which will require some restrictions at times to existing streets
- Our team owns existing property just north of the railroad tracks along 4th Street which will serve as a construction staging area for this project
- Proposed schedule is to start construction in Spring, 2022 and to complete the project in late Summer, 2023





**PROJECT CONTENT**





## SECTION 3

# DEVELOPMENT TEAM

**Developer** – MBA Investments, LLC (or assigns)

- Experience developing over 1,000 apartments and over 500,000 SF of office, medical, retail, industrial
- Ford Building
- Railyard Complex
- Brewhalla

**Architect / Engineer** – Mutchler Bartram Architects, P.C.

- 56 year history in Fargo market
- Numerous projects in downtown Fargo

**Construction Manager** – MBA Development Company

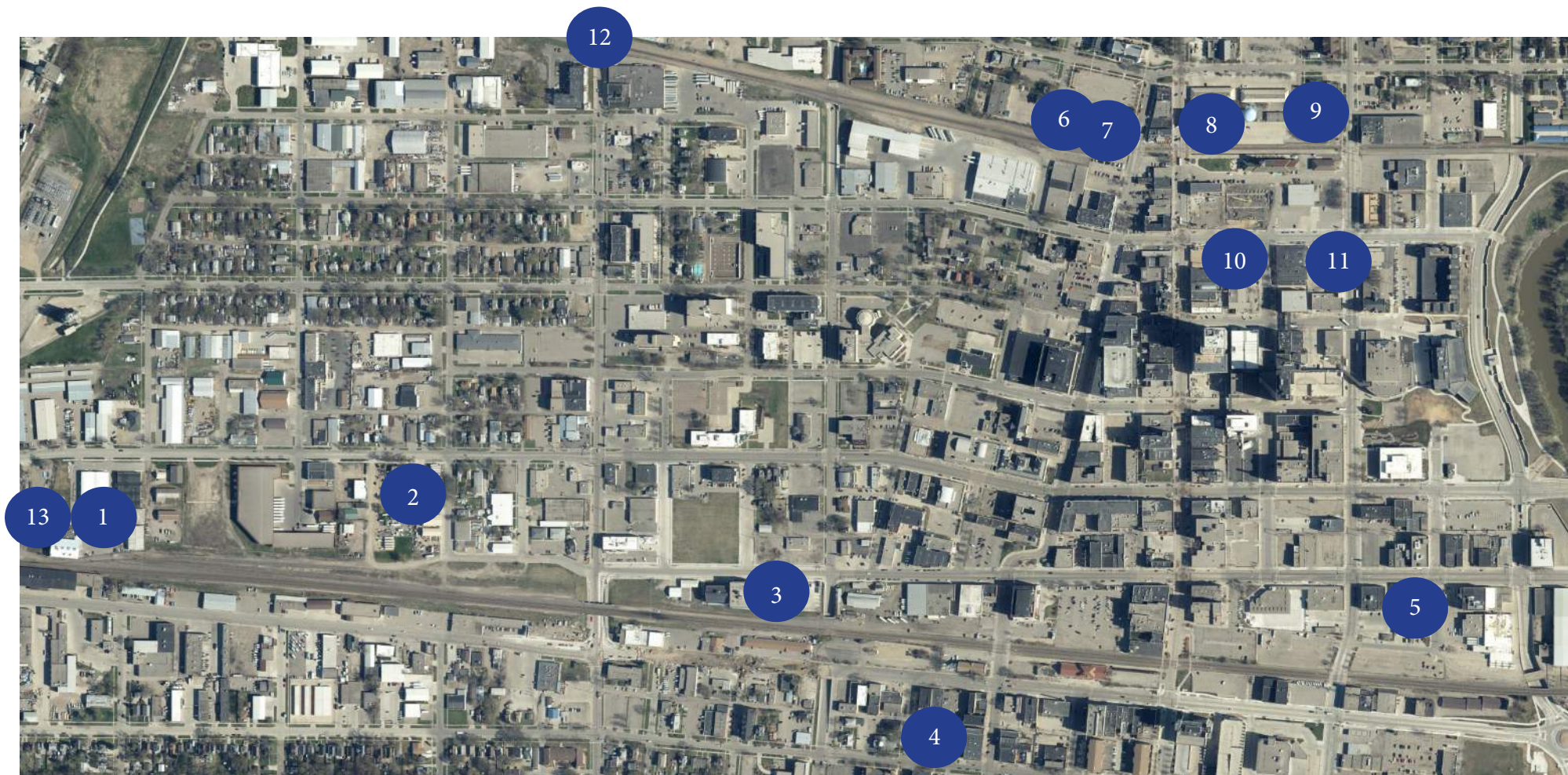
- 41 year history
- In-house carpenters, painters and laborers

**Property Manager** – Sterling Companies

- In-house property management team currently managing approximately 50 commercial and multi-family projects



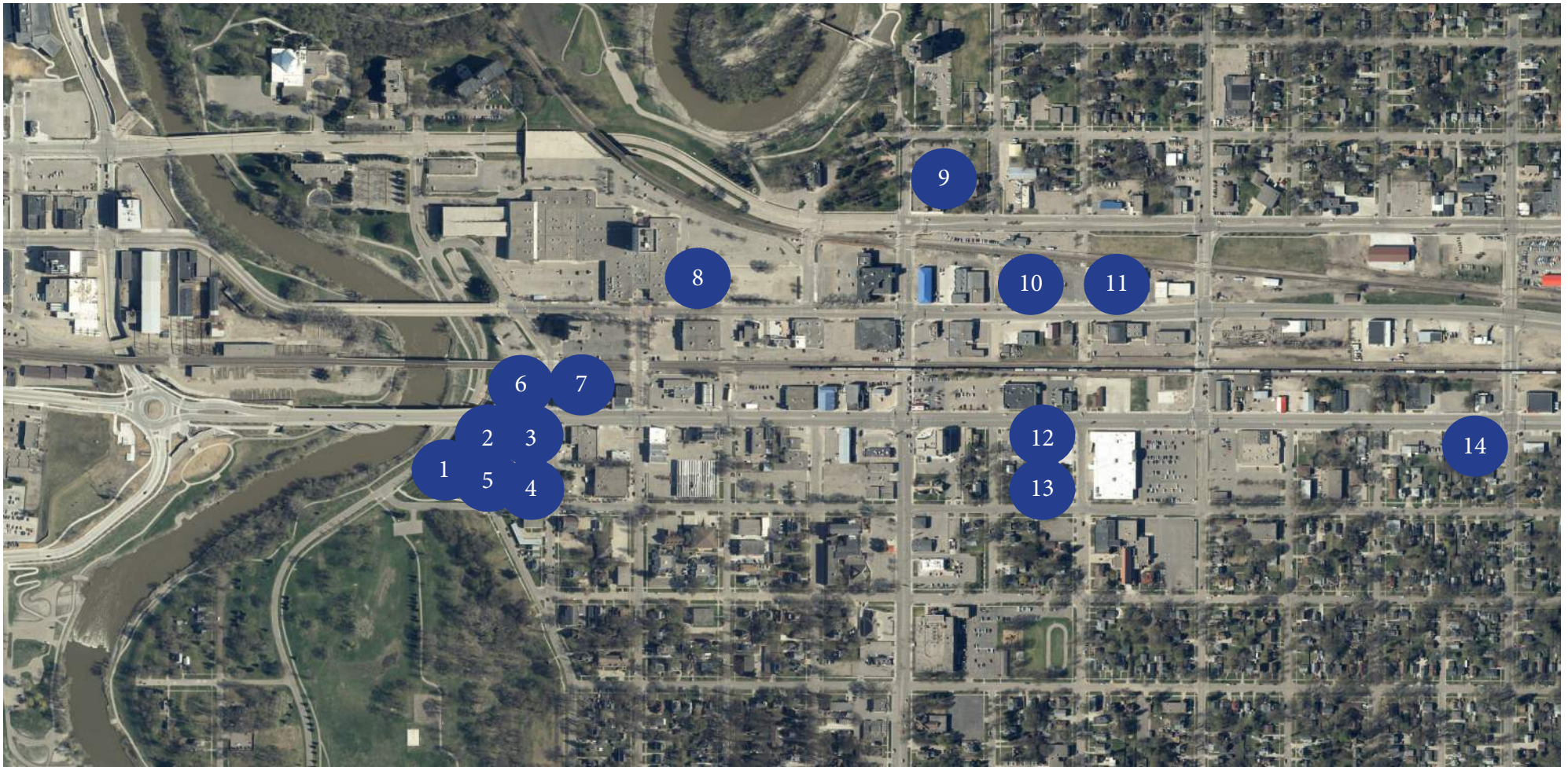




## DEVELOPMENT TEAM PROJECT EXPERIENCE - DOWNTOWN FARGO

1. Railyard Complex (Drekker, InterOffice, Railyard, Private Residence)
2. J-Street Flats - Multi-Family - 90 units
3. Union Storage & Transfer Building - Mixed Use
4. Mexican Village Parking Lot - future 94 unit Multi-Family
5. 300 NP Commercial & Roof-top Condos
6. Meadowlark Offices (formerly KRJ Building)
7. Prairie Rose Lofts - Multi-Family
8. Historic Ford Building- Mixed Use
9. Block 33 - Mixed Use - future 120 unit Multi-Family
10. McCormick Place Offices
11. Side Street Grille (formerly 404 Place)
12. 710 Lofts - 16 unit Multi-Family
13. Brewhalla - \$20.0M Mixed Use





## DEVELOPMENT TEAM PROJECT EXPERIENCE - DOWNTOWN MOORHEAD

1. Riverfront Apartments - 52 units
2. Bridgeview Condos - 30 units
3. Kassenborg Block - Mixed Use
4. Woodlawn Lofts - Mixed Use
5. Parking Ramp - Private Ramp
6. Riverside Market & Lofts - Mixed Use
7. East 4th Street - Mixed Use
8. United Sugars - future Mixed Use with 17 apartment units
9. Fairmont Flats - future 105 unit Multi-Family
10. Armory Event Center
11. Simon Warehouse Lofts - 65 units
12. 913 Lofts - 45 units
13. Block 37 Flats - 28 units
14. Orton's Property - future 51 unit Multi-Family





## SECTION 4

# SIMILAR EXPERIENCE

### **Downtown Moorhead Redevelopment** **128 Apartment Units & 30,000 SF Commercial** **Downtown Moorhead, Moorhead, MN**

- East 4th Street – Phase 1 (18 S 4th Street)  
This new building features 17 apartments and 4,000 SF of commercial space.
- Woodlawn Lofts – Phase 2A (330 2nd Avenue S)  
This building includes (22) 1, 2 & 3-BR loft apartments, diagonal parking, streetscape improvements and 10,000 SF of commercial space.
- Kassenborg Block – Phase 2B (315 Main Avenue)  
Remodeled the former “Kirby’s Bar” Building into a mixed use building which anchors the Moorhead Downtown Redevelopment Project.
- Bridgeview Apartments – Phase 3 (311 Main Avenue)  
This project features (30) 1, 2 & 3-BR apartments and underground parking.





## SIMILAR EXPERIENCE CONTINUED

### Historic Ford Building 505 N Broadway, Fargo, ND

Restored 1915 building originally constructed by Ford Motors. Mixed use with offices on 1st & 2nd floors and 10 luxury condos on 3rd floor.



### Simon Warehouse Lofts 1010 Center Avenue, Moorhead, MN

This old potato storage building was converted to 65 unique apartment units. The project received Historic Tax Credits for the restoration that highlights the historic nature and detailing of the structure.



### Railyard Complex 1620-1666 1st Avenue North, Fargo, ND

The Railyard Complex consists of several buildings located along the train tracks on 1st Avenue North in Fargo that houses multiple businesses including: Icehouse Fit, InterOffice Workspace Furniture, Railyard Offices and Drekker Brewing Co. – Brewhalla. MBA Development Company's warehouse and the Stack House (private residence) are also located on the complex.



### Brewhalla Market 1702 1st Avenue N, Fargo, ND

\$20.0M mixed use project with 2-story food market, event spaces, lodging, multi-family and enclosed parking. The construction will be completed in Fall, 2022.



## SIMILAR EXPERIENCE CONTINUED

### Armory Event Center

**904 Center Avenue, Moorhead, MN**

This historic building constructed in 1915 was the home to Moorhead's first National Guard Armory. It was later used as an auto dealership from the mid 1930's to 2008. The building underwent a complete remodel in 2021 and is now an event center.



### 300 NP Remodeling

**300 NP Avenue N, Fargo, ND**

This project consisted of the rehabilitation of a 1920's manufacturing warehouse building into office space. A 2-story roof-top addition was completed later that included 10 2-story luxury condos.



### Meadowlark (formerly KRJ Building Remodel)

**503 7th St N, Fargo, ND**

This 45,000 SF historic warehouse building was restored and converted into warehouse style office suites featuring exposed masonry walls, exposed heavy timber structure, wood floors, oversized windows, balconies / roof terraces and on-site parking.



### 710 Lofts

**707 10th Street N, Fargo, ND**

New 16 unit multi-family infill site on 10th Street and 7th Avenue. Includes tuck-under garages.

